State Portal Policy Issues – Action Item

Action Required

Recommendation: (1) Approve concepts for portal service offering and financial strategy to assist the State in increasing its Internet presence, (2) maintain current portal funding and require Department of Technology Services (DTS) to provide an updated State Portal funding proposal upon completion of the procurement for an eServices Agreement, and (3) direct DTS to work with state control agencies to address deficiencies in state policies so that departments are encouraged to undertake the development of online systems.

Executive Summary

The Department of Technology Services (DTS) is responsible for the ongoing operation and maintenance of the State Portal. Last year, DTS began an effort to update the State Portal that has resulted in the correction of some of the ongoing portal problems. Through these efforts, however, a number of policy issues have been identified that require actions by both DTS and the Technology Services Board (TSB). This agenda item discusses these policy issues and provides recommendations on how the issues can be resolved.

Some State Portal Problems Have Been Recently Corrected

On September 27, 2006, DTS provided the TSB with a status report on the Portal Redesign Project (PRP), which consists of a number of State Portal-related activities. *(For more detailed information on the project and the State Portal, see agenda item 5C of the TSB September 27, 2006 meeting.)* In January 2007, DTS implemented a new web page design to the State Portal and implemented Google as the portal's search engine. Both of these actions addressed several issues with the portal's usability and accessibility.   In addition, DTS implemented an online webmasters guide that departments can use to make similar changes to their web pages. The guide provides direction to departments on how to meet usability and accessibility requirements for state web pages.

In October 2006, DTS awarded a contract to Gartner Inc. (hereafter referred to as Gartner) to assess the portal's infrastructure and assist DTS in acquiring a contractor to update that infrastructure.   Gartner's assessment included interviewing key stakeholders, gathering information from departments, and examining the current portal's infrastructure.   At this time, Gartner has completed its review of the portal

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infrastructure and has identified several key issues with the State's approach to its portal.

Several Ongoing Policy Issues Have Not Yet Been Addressed

Since the summer of 2006, DTS has been meeting with other states and portal vendors in order to better understand how other states have approached portal and Internet-based systems development. These discussions have led to the identification of several key policy issues that DTS believes need to be resolved before it can successfully move forward with its portal efforts. We discuss these issues and the issues identified by Gartner below.

State Lags in Implementing Internet Systems. In the early 2000s, the State began implementing Internet-based or "online" systems. At that time, the primary online system was the Department of Motor Vehicles' vehicle registration system. Although the State has implemented some additional systems, a recent study found that California ranks 31st (2006) among the 50 states in providing online systems (47th in 2005). While the State has done well in publishing information on the Internet and building a few online services, overall there are a large number of services that still need to be developed. There are several reasons why the State has had difficulties implementing these types of systems. We identify some of these reasons below.

Most Online Systems Require Their Own Infrastructure. Online systems require a number of software and hardware products in order to operate. For those states with a robust Internet presence, the state made a decision to develop a portal infrastructure that most departments use to support their online systems. This helps reduce the hardware and software costs to the individual departments and allows for increased integration between the various online systems. This concept was also the original idea behind California's Portal. However, due to a number of policy and technical problems in 2001, this concept was never fully implemented. For this reason, each department has had to purchase their own infrastructure to support their online systems. This means that, in addition to paying the costs of the State Portal, departments are also paying the costs of their own online infrastructure to support their systems.

Some Departments Lack Resources to Develop Online Systems. In addition to purchasing hardware and software, departments need technical resources to develop and implement online systems. In our discussions with other states, we found that most states have acquired a vendor partner to help develop online systems. These partners usually have pre-packaged solutions for common state services such as issuance of fishing licenses, and renewals of professional licenses. By having a vendor partner, these states did not have to create their own systems and were able to draw upon the vendor's resources to implement the systems. Currently, in this State, most departments have resources dedicated to supporting existing systems. When a

department wants to implement a new system, it must usually request additional resources to develop and implement that system. One of the reasons why the State has not implemented many online systems may be that some departments lack the resources to develop these types of systems.

Current State Policies May Be Barrier to Developing Some Online Systems. The current state policy requires that departments prepare Feasibility Study Reports (FSR) for most information technology (IT) projects. In the FSR, a department must demonstrate the costs and benefits of developing and implementing an IT project. Even though there are many good reasons to conduct feasibility studies, most departments view FSRs as burdensome and time consuming. Some potential online systems such as assisting the public in joining a carpool may result in limited efficiencies for a state but may have high value to the public. In these cases, where the project has limited government efficiencies, departments may choose to forego the IT project altogether in order to avoid the FSR development and approval process.

Program Efficiencies From Online Systems Are Difficult to Quantify. In our discussions with other states, we found that the states report greater program efficiencies and higher customer satisfaction as a result of the online systems. However, states have had difficulties demonstrating these program efficiencies since they typically do not discontinue the other methods for accessing the public services. For example, a state may have a public call center for questions related to health care facilities. In addition, it may also implement an online system for accessing information about the facilities. The state may choose to keep both methods operational to better meet the needs of its constituents. Theoretically, it makes sense that more methods for accessing public services leads to higher customer satisfaction and increased efficiencies. However, it may be difficult for individual departments to quantify this since they would likely continue to maintain their existing service delivery methods once the new online system has been implemented.

Current Infrastructure is Obsolete and Not Used by Most Departments. As noted at the September 27, 2006 TSB meeting, the current portal infrastructure is obsolete and has not been updated since its implementation in 2001. (The Gartner assessment supports this view.) Even though DTS has changed the look and feel of the web pages and replaced the search engine, the primary hardware and software are still in place. This means that the current portal infrastructure continues to have limited usefulness for departments. Gartner found that, even though most departments assist in the funding of the State Portal, very few departments make use of its hardware and software. In our discussions with other states, we found that most states have implemented a portal infrastructure that is being used by most departments to support their online systems. This has helped eliminate the need for each of those states to purchase redundant infrastructures to support their online systems.

Costs for an Updated Portal Are Currently Unknown. The current State Portal costs about $3 million a year to operate. Most departments pay a fee based on their annual budget appropriation to support these costs. At this time, the ongoing costs of an updated and fully functioning portal environment--similar to what other states have implemented--are still unknown.

DTS Can Provide Solutions for Some Policy Issues

As a centralized IT service provider, DTS should be able to address some of these policy issues for the State. These possible policy solutions are discussed below.

Implement A Shared Portal Infrastructure and Service Offering. Since DTS is currently responsible for supporting and maintaining the State Portal, DTS is also responsible for ensuring that the portal is updated and operating properly. In addition, since DTS is responsible for providing shared services to state entities, it should also be able to develop a state portal infrastructure that better meets the needs of departments. This service offering should include training opportunities, increased system performance, and improved security. By updating the State Portal, DTS should be able to address policy issues related to an outdated portal infrastructure and the resulting need for some departments to maintain and support their own infrastructure for online systems.

Create an eServices Agreement. In cooperation with the Department of General Services (DGS), DTS should also be able to address some of the issues related to the availability of resources for the development and implementation of online or "eServices" systems. Specifically, DTS and DGS should be able to acquire a vendor partner that departments could utilize to assist in the development of online systems. In addition, the State could request that the vendor partner also update the portal infrastructure to better meet the needs of state entities. This would ensure that the vendor partner is familiar with the capabilities of the portal's hardware and software and adjust those capabilities when necessary to meet the computing needs of the State.

TSB Can Take Steps to Resolve Remaining Policy Issues

Even though DTS should be able to address some of the State Portal policy issues, several still remain. To address these remaining policy issues, DTS recommends that the TSB take the following actions.

Adopt Concepts for Portal Service Offering and Financial Strategy. To assist the State in increasing its Internet presence, DTS recommends that the TSB adopt the concepts for a portal service offering and financial strategy. These concepts are found

in Attachments A and B of this agenda item. Upon the TSB's approval of these concepts, DTS will finalize the service offering and financial strategy through the TSB's Services Committee and the appropriate State Chief Information Officer's IT Council workgroups.

Maintain Current Portal Funding. Since the costs of an updated State Portal are unknown, DTS recommends that the TSB maintain the current portal funding strategy until the procurement of the eServices agreement has been completed. At that time, DTS would provide an updated funding strategy for the State Portal.

Direct DTS to Work With Control Agencies to Address State Policy Deficiencies. To ensure that state policies encourage departments to develop online systems, we recommend that the TSB direct DTS to work with DGS and the Department of Finance to address any state policy deficiencies that may be preventing departments from undertaking development of these types of systems.

Conclusion

By adopting these recommendations, the TSB will have resolved most of the current policy issues related to the State Portal. In addition, the TSB will have set a policy direction for the State of making more services available to the public through the Internet. As a result, there should be higher public satisfaction with state services and increased efficiencies for state entities.

Conceptual Financial Strategy for Portal/eService Initiative

At this point in the development of the Portal/eServices Initiative, information available for financial analysis is not sufficient to produce definitive rates or a rate structure. These details will be defined as vendor proposals are received and analyzed and the distribution of responsibilities between the vendors, the Department of Technology Services (DTS) and the customer become clear. However, the DTS anticipates that all the costs related to the planned Portal/eServices Initiative can be segregated into four service categories. Each of these categories and the potential funding method are described below.

Enterprise Services

Activities in this category are those that provide a benefit to the entire enterprise. The majority of these costs will be the fixed cost of providing the core eServices and Portal capabilities that are available to and/or benefit all customers. Activities include providing the core portal infrastructure, hosting of ca.gov, contract administration and activities within the eServices Office.

The existing enterprise surcharge (a.k.a. Portal Tax) could be maintained to fund enterprise services. Additional revenue could come from an administrative fee charged on customer utilization in the other service categories. This additional revenue could be used to offset the surcharge so that it could be reduced or eliminated as utilization of the Portal increases.

Customer Application Development

Activities in this category are the one-time costs required to develop or change customer-specific applications or web presence on the new portal. Application development is a one-time expenditure that will vary widely by customer due to their specific needs. As such, the funding of this activity must be similarly flexible.

To accommodate the periodic and variable nature of these expenditures, the DTS anticipates that the customer will pay the contracted vendor directly (direct payment) or, if it is determined that the expenditures should flow through the DTS, the DTS will bill the customers based on the actual expenditures made on their behalf plus an administrative fee (pass-through).

Customer Application Maintenance and Operation

Activities in this category are the ongoing costs of maintaining and operating the application or web presence. This would include portal application tools such as a payment service, identity management, content management, and the search service, as well as call center and marketing services.

The mechanism for funding these costs is dependent on the distribution of Application Maintenance and Operation responsibilities between the vendor, DTS and the customer. Direct Payment or Pass-through may be used for vendor costs. Pass-

through may be used for one-time or unique DTS costs, such as consulting. DTS Rates may be used for any reasonably stable, ongoing DTS expenditures made in support of this activity.

Customer Application Hosting
Activities in this category are the costs of hosting the customer application at the DTS. Hosting the infrastructure for applications is a staple of the DTS business.

To the extent that customer infrastructure grows as a result of increased utilization of the Portal, existing DTS rates will be used as appropriate to recover the related costs. If it is determined that there are Portal-specific hosting costs outside the scope of existing rates, the DTS will develop new rates to address the appropriate recovery of those costs.

Portal eServices

DTS Portal eServices will provide reliable and secure portal services to enable our customer departments to focus on core business functions, rather than technical solutions. DTS plans to offer these services beginning in Fall 2007:

eService Offerings

DTS Portal Service Offerings*

- Core Portal Platform Service
  - Presentation Management
  - Multilingual Support*
  - Accessibility
  - Personalization
  - Multi-Channel/Device Support
  - Portal Integration
  - Portal Administration and Operation
  - Security
  - Identity and Access Management**
- Search Service
- Payment Engine Service
- Portal-Based Application Services
  - Survey tool, mapping, shopping cart, e-forms, wiki, blog, etc.
- Web Content Management Service

DTS Portal Development and Implementation Services***

- Web Application Development
- Web Page Design
- Web Application Integration
- Migration of Web Sites/Applications to Portal Platform
- Web Content Management Deployment
- Web Content Management Support
- Call Center Services
- Marketing Services
- Current Environment Assessment

*Pricing for these services will include both an up-front one-time fee and an ongoing variable support fee.

**Could be offered as a separate service.

***Pricing for these services will include both an up-front one-time fee for the project and potentially a maintenance fee for any ongoing support of the application.

The following benefits can be realized through use of these services:

Strong Web site security. Security includes authentication services ranging from passwords to PKI solutions.

Shared hardware and software. This shared architecture is scalable and allows for rapid expansion and changes to services.

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24x7 availability. Having 24x7 availability improves the customer service provided to the public. Customers and businesses from all over the world can access government information and services anytime, anywhere.

Call center services. Because this is a 24x7 enterprise, call center services are also available 24x7 to assist customers with use of the site and technical questions.

Shared payment services. Payment engine accepts both credit cards and electronic funds transfer payments. In addition, interfaces can be developed to link legacy systems to the electronic payment system.

Web application development services. DTS / Vendor can develop the online services. Where feasible, DTS / Vendor develops templates and component libraries to reuse application code. Many applications require the same field format. Component reuse will reduce time and resources required for development.

Outreach marketing to customers. DTS / Vendor can work with each government entity to develop a marketing plan to facilitate their customers' use of the new services.

Bilingual Web site. A Spanish version of the California Portal will be available. DTS / Vendor will also work with agencies to make their services available in Spanish (and other languages over time.)

ADA compliance. To serve those with disabilities, the California Portal remains ADA compliant. In addition, the California Portal will continuously improve its services through usability testing and focus groups.

Faster "Time to Market". Through the use of DTS eServices, customers will be eligible to use an abbreviated feasibility study report (FSR) process to satisfy Department of Finance requirements.

Easier Access. DTS eServices offer you the ability to securely access your applications and network files from anywhere at anytime, without having to load a log-in application on every office desktop.

Like all DTS services, eServices are available to state, county, federal, and local government entities throughout the State of California. DTS is working diligently to develop a cost model to offer these services at a reasonable and attractive cost to our customers. This eService Offering is a preliminary listing of services to support customers with applications on the California Portal and may be expanded to meet customer needs.